

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 5
FOR THE REGULAR MEETING OF
TUESDAY, AUGUST 5, 2003**

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
ORDINANCE TO BE INTRODUCED:

ITEM-S501: Office Space Lease Amendment - Civic Center Plaza - Treasurer's Investment Program.

(Centre City Community Area. District-2.)

CITY MANAGER'S RECOMMENDATION:

Introduce the following ordinance:

(O-2004-16)

Introduction of an Ordinance authorizing the City Manager to execute an Eleventh Amendment to Lease with Civic Center Associates, a California limited liability company, for the lease of approximately 1,919 square feet, for a total monthly rental rate of \$2,686.60, for a term of approximately ten years, under the terms and conditions set forth in the Office Lease Agreement;

Authorizing the City Auditor and Comptroller to expend an amount not to exceed \$26,866, for rent for Fiscal Year 2004 from Citywide Fund No. 100, Department 601.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

CITY MANAGER SUPPORTING INFORMATION:

At the June 23, 2003 budget review meeting, the City Council added 11.5 positions to enhance the Collections Program efforts at a cost of \$727,329. This amount includes non-personnel expenses for the relocation and office space lease expenses for the Investments Program staff currently located in the Executive Complex building. Relocating the Investments Program out of Executive Complex building and into the Civic Center Plaza will allow the Collection Program staff to be consolidated within its current space at the Executive Complex. Expansion space has become available on the 16th floor of the Civic Center Plaza.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

ORDINANCE TO BE INTRODUCED: (Continued)

ITEM-S501: (Continued)

CITY MANAGER SUPPORTING INFORMATION: (Continued)

The Treasurer's Investment Program is proposing to lease the space under the following basic lease terms:

TERM - Approximately 10 years. Target commencement date is September 1, 2003 expiring July 23, 2014, the expiration date of the Master Lease.

RENT - \$1.40 per square foot or \$2,686.60 per month. Rent is below market as compared to similar buildings in the downtown area. Rental rates in the downtown area are ranging from \$1.50 to \$2.10 per square foot.

SIZE - Approximately 1,919 square feet.

USE - General office use for the Investment Program.

TENANT IMPROVEMENTS - Landlord will complete the required tenant improvements at landlord's sole cost and expense. The tenant improvements allowance provided is \$44,975. The space planning allowance provided is \$933.35. Any costs beyond the provided allowances will be paid by the Treasurer's Office.

FISCAL IMPACT:

\$26,866 will be paid from Citywide Fund 100, Dept. 601 for the balance of FY 2004.

Herring/Griffith/dlm

Aud. Cert. 2400117.